

Form CRS – Client Relationship Summary

Introduction

Jerry Borzello founded American Wealth Management, Inc. in 1990 as a FINRA and MSRB Member. (<http://www.finra.org/index.htm> and <http://www.msrb.org>). American Wealth Management, Inc. (AWM) has been a full service financial advisory firm for over 30 years and offers a broad selection of investment options. The firm’s goal is to provide a boutique wealth management experience and to achieve its client’s long term goals and objectives.

There are different ways a client can seek investment advice. This document has been created to illustrate the different investment options AWM offers. Additional information about our advisory services is located in our Firm Brochure which is available at [www.americanwealthmanagement.com](http://www.americanwealthmanagement.com).

What investment services and advice can AWM provide?

Services

**BROKERAGE (COMMISSION-BASED)**

As a broker/dealer, AMW’s primary service is buying and selling securities at the client’s direction. The AMW financial professional may offer recommendations to buy, sell, or hold securities, but the client will make the final investment decisions.

**INVESTMENT ADVISORY (FEE BASED)**

The investment advisory programs offered by AMW includes:

- **Fee Based - Investment Advisory Accounts:** These managed account program may be:  
**Discretionary** – The Registered Investment Advisor Representative makes investment decisions to buy, sell, or hold securities in the account.  
**Non-Discretionary** – The Registered Investment Advisor Representative offers advice and recommendations to buy, sell or hold securities. The Client will make the final investment decision.

Monitoring

Unlike a Discretionary Investment Advisory Account, the AMW financial professional does not offer or provide monitoring services for the client’s brokerage account(s). The financial professional may voluntarily review the holdings in a client’s account(s) and may make a buy, sell, or hold recommendations. These

AMW and the Registered Investment Advisory Representative will conduct ongoing monitoring of the client’s advisory account(s). Said reviews will pay particular attention to the client’s objectives and risk tolerance. All buying/selling will be in accordance with the

voluntary account reviews do not represent an account monitoring service.

type of managed account program selected by the client.

### Account Minimums

AWM generally does not require a minimum account size to open a brokerage account. There are limited exceptions related to particular account types.

Other than limited exceptions AWM does require a minimum account size to open an investment advisory account.

### Obligations to the Client

AWM and all of its Financial Advisors must abide by certain laws and regulations while interacting with Clients.

When recommending security investments or investment strategies, AWM and its financial professionals will put the Client's best interest first. AWM financial professionals must treat the client fairly and comply with a number of specific obligations and regulations.

If AWM or its Financial Advisors' interests conflicts with the Client's interests, the firm will eliminate said conflicts and/or inform the Client of the conflicts.

### Fees and Cost Paid by the Client

#### **BROKERAGE (COMMISSION-BASED)**

Brokerage account will incur transaction charges that may include the following:

- Commissions
- Markups and markdowns (similar to commissions)
- Upfront or ongoing fees that are paid to a mutual fund or other product issuer, a portion of which is paid to AWM in connection with the transaction; and
- Handling and processing fees on each securities transaction.

*Transaction charges differ from one product to another. This could create an incentive to recommend products that have higher transaction charges. When there are more trades in an account, the Client will incur greater transaction charges. This situation could create an incentive to encourage Financial Advisor to trade more often.*

Depending upon the type of account, the client may incur periodic account maintenance or IRA custodial fee, as well as processing, service, and

#### **INVESTMENT ADVISORY (FEE-BASED)**

AWM offers two types of Fee-Based Investment Advisory Accounts:

##### Type One:

In this type of investment advisory account, the client will incur advisory fees. Generally these fees are assessed quarterly at the rate agreed upon in the contract (based on a fully executed Schedule A). In addition to the advisory fee, the client may incur charges on margin loans, IRA fees, handling and postage charges, clearing cost, safekeeping fees, SEC fees, security transfer fees, etc. The above described fees are charged by the clearing firm to defray the expenses incurred with the custody of the account and facilitating the execution and clearing of the Client's transactions. Neither AWM nor the Financial Advisor share in any of the above described fees or charges.

##### Type Two:

This type of Investment Advisory Account is commonly known as a "wrap fee account".

account fees upon certain events or occurrences. If a client borrows on margin using a securities-based loan the Client will incur interest charges. Certain investments, such as mutual funds, have embedded fees that are generally paid by the Client to the companies that sponsor, manage and/or promote the investment.

Generally, there will be a “wrap” fee that covers the applicable advisory fee, third party manager fees, execution charges on trades, and custody and clearing services. The wrap fee does not include commissions, and other charges for trades that a third-party manager directs to another broker/dealer. In addition, it does not include underlying management fees and operating expenses for investment products and other charges described in our Advisory Brochure.

*AMW and the Financial Advisor are compensated based on the amount of assets in the Client’s account(s). Therefore, AWM and the Financial Advisors are incentivized to grow the Client’s assets.*

During periods of lower trading activity, the advisory fee may be higher than the transaction charges you would have paid in a brokerage account. To determine whether an investment advisory account is appropriate, an analysis can project the costs of an investment advisory account versus a brokerage account. This should be based on factors such as expected size, volume and frequency of transactions, projected holding period and the advisory services provided by your financial professional.

**Fees and costs will be paid whether the Client makes or loses money on his/her investments. Over time fees and costs will reduce the amount of money the Client makes on investments. The Client should understand the fees and cost paid.**

### **How do Financial Advisors make money?**

Most AWM Financial Advisors are compensated as described below:

- Commissions, markups and markdowns-These charges may vary by product.
- Advisory fees - Generally these fees are assessed quarterly at the rate agreed upon in the Schedule A. To compute the charge - the Total Statement Value at the end of each Quarter will be multiplied by the contract rate (Schedule A) = Amount Paid to Financial Advisor.
- Fees related to other products and services provided to the client. For example, a Financial Plan.
- Ongoing fees, from mutual fund and certain other product issuers.

### **Conflicts of Interest – Financial Advisor may benefit from a recommendation to the client**

Some Financial Advisors may make extra commission by recommending certain products, sharing agreements with product sponsors, and/or through proprietary trading.

AWM does not engage in any of these practices.

### **Does your Financial Advisor have legal or disciplinary history?**

Visit [www.investor.com/CRS](http://www.investor.com/CRS) to research AWM and its financial advisors.

### **Additional Information**

Additional information about AWM can be found at [www.americanwealthmanagement.com](http://www.americanwealthmanagement.com) or [www.investor.gov](http://www.investor.gov). AWM may also be researched on Broker Check ([www.BrokerCheck.org](http://www.BrokerCheck.org)) by searching CRD # 25536. Clients may contact AWM at 770-392-8740.

### **Questions to Ask Us**

- Who is the primary contact person for the account?
- Who is the owner of AWM? How do I get in touch with him if I have a problem?
- Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both types of services? Why or why not?
- Do the math for me. How much would I pay per year for a typical brokerage account? What would make those fees more or less? What services will I receive for those fees?
- As a financial professional, do you have any disciplinary history? For what type of conduct?
- What additional costs should I expect in connection with my account?
- Tell me how you and your firm make money in connection with my account? Do you or your firm receive any payments from anyone besides me in connection with my investments?
- What are the common conflicts of interest in your brokerage accounts? Explain
- How will you choose investments to recommend for my account?
- How often will you monitor my account's performance and offer investment advice?
- What is your relevant experience, including your licenses, education, and other qualifications? Please explain what the abbreviations in your licenses are and what they mean.

*Disclaimer: This Form CRS is an SEC mandated summary disclosure on certain important topics about American Wealth Management, Inc. Statements in this Form CRS require that we act in your best interest when making brokerage recommendations. Our obligations under the SEC's Regulation Best Interest Rule are effective after the rule's compliance date (anticipated to be June 30, 2020). The information in this Form CRS is subject to the more complete terms and conditions of our brokerage or investment advisory agreements and disclosure and does not create or modify any agreement, relationship or obligation you have with us.*

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